

AGREEMENT FOR SOUTHSIDE NEIGHBORHOOD REVITALIZATION

THIS AGREEMENT FOR SOUTHSIDE NEIGHBORHOOD REVITALIZATION (this “Agreement”) is entered into as of the _____ day of _____, 2012, by the City of Durham, North Carolina (“City”) and the Center for Community Self-Help, a nonprofit corporation organized and existing in the City of Durham under the laws of the State of North Carolina (“Self-Help”). Each party recognizes the other’s key role in carrying out a coordinated revitalization strategy for the Southside neighborhood and its surrounds. This Agreement helps to define the roles and responsibilities of each party with respect to working together and carrying out revitalization plans.

BACKGROUND.

In 2005, Self-Help began meeting with community leaders in the Southside Neighborhood of Durham to discuss strategies for community revitalization. Self-Help and community leaders mutually agreed that the best plan would be to gain significant site control, through the acquisition and land banking of a large number of residential parcels consisting of lots and any improvements (each, a “Property” and collectively referred to as “Properties”), in order to set the stage for a large-scale redevelopment effort. Self-Help and Southside Neighborhood leaders further agreed that establishing a land bank of properties would help ensure the community has a strong voice in its own revitalization. As a result, Self-Help Ventures Fund, a North Carolina nonprofit corporation and affiliate controlled by the Center for Community Self-Help, now owns approximately 100 properties in the Southside Neighborhood, including more than a dozen properties acquired in part with federal CDBG funds awarded by the City.

Also in 2005, the City issued a Request for Qualifications to identify a developer for the 19-plus acre Rolling Hills site to the east of Roxboro Street, adjacent to the Southside Neighborhood. Once the City identified its developer, Self-Help and the City agreed to partner in the Southside Neighborhood and to coordinate its revitalization plans with plans for the former Rolling Hills site.

The chosen developer for Rolling Hills, McCormack Baron Salazar, was contracted to help formulate a broad-based vision for the Southside Neighborhood, the former Rolling Hills site and the surrounding area, and to produce a master plan for this 125-acre area. The plan was finalized in July 2010 and is known as the Rolling Hills/Southside Revitalization Plan (as used herein, the “Master Plan”).

In November 2010, Self-Help coordinated with the City to release the Southside Revitalization Request for Qualifications (the “RFQ”), which solicited proposals from design firms to provide architectural, land planning and related services specific to the Southside Neighborhood. Under the resulting contract with Self-Help, the selected firm (O’Brien Architecture) will produce, in collaboration with Self-Help and the City, a detailed development plan for the construction of the Homes in the Southside Neighborhood (the “Southside Construction Plan”).

THEREFORE, in consideration of the mutual promises herein exchanged by and between the parties, it is agreed as follows:

SECTION 1. RESPONSIBILITIES OF SELF-HELP

Self-Help will coordinate the preliminary physical development design in the Southside Neighborhood consisting of the creation of house plans, grading and site preparation plans and documents, infrastructure improvement plans and documents and gateway design and construction documents. In its role, Self-Help will perform, or cause to be performed, the following specific responsibilities:

- (a) Management of Properties. Continue to secure and maintain Properties until they are acquired by the City or by homebuilders.
- (b) Southside Construction Plan Creation and Implementation.
 - i. Contract with O'Brien Architecture and manage the architect's work to create the Southside Construction Plan.
- (c) Support Outreach Center. The Southside Neighborhood Outreach Center occupies a Self-Help-owned building at the corner of South and Enterprise Streets. Self-Help will continue to make the Outreach Center available to groups working with the Southside Neighborhood Association and the City, subject to approval by Self-Help of each such individual group, at no cost to the City or the groups for a period of not less than two years beginning January 2012.
- (d) City's Right of First Refusal. Guarantee to the City the right of first refusal to acquire any Self-Help owned Properties in the Southside neighborhood owned on the date of the execution of this agreement not otherwise under contract to be purchased by the City. The City's right of first refusal shall be in effect for a period of five years following execution of the agreement. During that period, if Self-Help receives offers to purchase properties from other parties and provides written notice of the offer to the City, the City shall respond within three working days regarding its intent to exercise this right.

SECTION 2. RESPONSIBILITIES OF THE CITY

- (a) Payments to Self-Help. The City shall pay to Self-Help a fee (the "Performance Fee") in the amount of \$125,000 as compensation for staff costs associated with the acquisition of properties and to reimburse Self-Help for its \$55,000 contribution to the cost of the O'Brien Architecture contract. The Performance Fee shall be paid in one lump sum by July 31, 2012.
- (b) Infrastructure Improvements. The City shall begin no later than the fall of 2012 to perform or contract to be performed, at the City's expense, selected infrastructure and related improvements recommended by the Southside Construction Plan for Phase 1 (35 homes and related lots). Such improvements shall include sidewalks, street trees, street resurfacing, curb and gutter, stormwater control measures, and similar improvements including site preparation.
- (c) Gateways, Signage, and Landscaping. The City shall provide funds in an amount to be determined by the City to improve the appearance of the Southside

neighborhood. Specific needs include gateway treatments, signage, and landscaping in common areas and in public rights of way.

SECTION 3. EVENTS OF DEFAULT.

The occurrence of any of the following events and the failure of the defaulting party to cure such default to the satisfaction of the non-defaulting party within the applicable notice or grace periods, if any, shall from and after the expiration of the relevant notice or grace period, if any, constitute an Event of Default under the terms of this Agreement:

(a) Inaccurate Representations. The invalidity or material inaccuracy of any warranty, representation in this Agreement, or the breach, withdrawal, cancellation, rescission, termination or alteration of any agreement, approval, or waiver submitted to the City and related to the Properties, or the failure of Self-Help or the City to advise the other party of any act or information of which it has knowledge, with regard to the Properties, or otherwise;

(b) Breach of Covenant. The breach by Self-Help or the City of any agreement contained in this Agreement.

(c) Injunction. The issuance of an order or decree in any court of competent jurisdiction restraining, enjoining or prohibiting the construction of the Single Family Homes or restraining, enjoining or prohibiting Self-Help or the City from performing this Agreement, when the order continues in effect unstayed for a period of thirty (30) days.

(d) Insurance Policies. Self-Help neglects, fails or refuses to obtain and to keep in full force and effect any insurance policies required by the City or any governmental permit or approval with respect to the construction of the Single Family Homes and fails to restore such insurance or such approval or permit within ten (10) days after notice from the City.

(e) Lawsuits: Any suit or administrative action shall be filed against Self-Help or any person or entity that is an equity owner (either directly or indirectly) of Self-Help which, if adversely determined, could substantially impair the ability of Self-Help to perform any of its duties within sixty (60) days.

(f) Bankruptcy, etc. Self-Help shall (a) apply for or consent to the appointment of a receiver, trustee or liquidator of Self-Help or any of the Properties, (b) file a voluntary petition in bankruptcy or admit in writing Self-Help's inability to pay its or his debts as they become due, (c) make a general assignment for the benefit of creditors (d) file a petition or answer seeking reorganization or rearrangement with creditors who are taking advantage of any insolvency law, (e) file an answer admitting the material allegations of a petition filed against Self-Help or such similar proceeding, or (f) be the subject of order, judgment or decree entered by any court of competent jurisdiction, or by any other duly authorized authority, on application of a creditor or otherwise, adjudicating Self-Help as bankrupt or involvement or approving a petition seeking reorganization of Self-Help or appointing a receiver, trustee or liquidator of any of the Properties, if such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) consecutive days. No additional notice shall be applicable to matters under this Section.

(g) Dissolution, etc. of Self-Help. Self-Help shall be dissolved, wound up, liquidated or otherwise terminated, or a party to any merger or consolidation without the written consent of the City. No notice or opportunity to cure shall be required for a default under this Section.

(h) Transfer of Property. If any interest in any Property is transferred or disposed of in any manner that would violate this Agreement.

SECTION 4. TERMINATION OF AGREEMENT.

Termination of this Agreement shall be by

- (a) thirty days notice of termination is given by Self-Help or the City of Durham; or
- (b) upon the expiration without cure of any grace period following notice to either party of an Event of Default as described in Section 3.

IN TESTIMONY WHEREOF, the parties hereto have caused this Agreement to be executed:

CITY OF DURHAM

By
City Manager

ATTEST:

City Clerk

CENTER FOR COMMUNITY SELF-HELP

By
President

ATTEST:

Secretary

(Affix corporate seal here)

**NORTH CAROLINA
DURHAM COUNTY**

I, a Notary Public in and for the aforesaid County and State certify that _____ personally appeared this day, and acknowledged that he or she is the _____ City Clerk of the City of Durham, a municipal corporation, and that by authority duly given and as the act of the City, the foregoing contract or agreement was signed in its corporate name by its _____ City Manager, sealed with its corporate seal, and attested by its said City Clerk or Deputy City Clerk. This the _____ day of _____, 2012.

Notary Public

My Commission Expires

**NORTH CAROLINA
DURHAM COUNTY**

I, a Notary Public in and for the aforesaid County and State, certify that _____ personally appeared before me this day and stated that he or she is _____ Secretary of the Center for Community Self-Help, a nonprofit corporation, and that by authority duly given and as the act of the corporation, the foregoing contract or agreement with the City of Durham was signed in its name by its President, whose name is _____, _____ sealed with its corporate seal, and attested by him/herself as its said Secretary or Assistant Secretary. This the _____ day of _____, 2012.

Notary Public

My Commission Expires